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# Exclusive: Billionaire Investor Buys Jeffrey Epstein's Private Islands For \$60 Million

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Private equity mogul Stephen Deckoff, who moved to the U.S. Virgin Islands in 2011, has purchased two islands formerly owned by Jeffrey Epstein. COURTESY BLACK DIAMOND CAPITAL MANAGEMENT; EMILY MICHOT/NEWSCOM

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**A private equity mogul, who says he never met Epstein, plans to develop a luxury resort on the infamous property.**

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After more than a year on the market, Jeffrey Epstein's infamous Caribbean islands have finally found a buyer: Stephen Deckoff, founder of private equity firm Black Diamond Capital Management, has purchased the two islands for \$60 million, less than half of their initial asking price of \$125 million.

Deckoff plans to develop a 25-room luxury resort on the property, he said Wednesday, adding that he never met Epstein and never set foot on the islands until they were marketed following Epstein's 2019 death.

“I’ve been proud to call the U.S. Virgin Islands home for more than a decade and am

tremendously pleased to be able to bring the area a world-class destination benefitting its natural grace and beauty,” Deckoff tells *Forbes*. “I very much look forward to working with the U.S. Virgin Islands to make this dream a reality.”

The property, which spans the 70-plus-acre Little St. James and 160-plus-acre Great St. James islands, is located just off the shores of tourism hub St. Thomas and already boasts a helipad, multiple pools and several guest villas. Deckoff is in the process of recruiting architects and engineers to work on developing the resort, which he plans to open in about two years.

Epstein’s ownership has cast a dark shadow over the islands, despite the natural beauty of their palm tree-dotted beaches and crystal clear water. The disgraced financier purchased Little St. James in 1998 for a reported \$8 million. He lived in a large mansion there and constructed several bizarre structures on the property, which has been dubbed “pedophile island” for its role in Epstein’s sex trafficking ring. Alleged victim Virginia Giuffre has claimed that Prince Andrew, Duke of York, raped her on Little St. James (a claim Buckingham Palace has denied). Epstein bought the neighboring Great St. James, which is largely undeveloped, in 2016 for a reported \$22.5 million.

He died in a Manhattan jail cell in 2019 while facing federal charges for trafficking minors in

Florida and New York. His associate, Ghislaine Maxwell, was found guilty of child sex trafficking in December 2021 for her role in helping Epstein procure underage girls and was sentenced to 20 years in prison.

Epstein's estate agreed to pay **\$105 million** to the U.S. Virgin Islands, including the repayment of \$80 million in tax benefits, after the territory's attorney general sued in 2020, claiming the Virgin Islands were duped into granting Epstein's company, Southern Trust Company, tax benefits that allowed Epstein to use his residence there to abuse girls and women. The settlement grants the U.S. Virgin Islands government half the proceeds from the sale of the islands—some \$30 million—to be put into a trust to provide counseling and other services for victims of sexual abuse.

Deckoff—who has a net worth of **\$3 billion**, according to *Forbes'* estimates—built a fortune in private equity, working his way up at several firms, including Drexel Burnham Lambert, Bear Stearns and Kidder, Peabody & Co., before striking out on his own in 1995 with Black Diamond Capital. Today, the Stamford, Connecticut-based company manages some \$9 billion in assets and specializes in high-yield debt, distressed debt, restructuring and business turnarounds.

A native of New York City, Deckoff moved to the U.S. Virgin Islands in 2011. He has given more

than \$1.2 million to nonprofits there, mostly to private schools and nature preservation organizations.

The islands are still recovering from two category 5 hurricanes, Irma and Maria, that tore through in September 2017. Deckoff's plan is to construct a "state-of-the-art, five-star, world-class luxury 25-room resort" on the property, according to a press release Wednesday, to help boost tourism and economic development "while respecting and preserving the important environment of the islands."

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